

Appl. No. 09/932,588  
Amendment dated April 21, 2006  
Reply to Office Action of December 23, 2005

### **REMARKS/ARGUMENTS**

Claims 1-8, 10-19, and 21 are presently pending in this application. Claims 8, 16 and 19 have been amended herewith.

Reconsideration of the subject patent application and allowance of the claims are respectfully requested in light of the examiner interview held on March 22, 2006, the amended claims, and the following remarks.

#### **Interview Summary**

During the examiner interview of March 22, 2006, Examiner Daniel Lastra agreed that Ikeda et al. (U.S. Patent No. 5,937,391) ("Ikeda") does not teach "determining which of the allowed awards to redeem based on the encumbrance levels" as recited in claim 1. Examiner Lastra expressed that his next actions would be to discuss the situations with a primary examiner and to conduct additional prior art searches.

#### **Response to Prior Art Rejection**

Claims 1-8, 10-19, and 21 have been rejected under 35 U.S.C. § 103(a) as being unpatentable over Ikeda. To support a rejection under 35 U.S.C. § 103, the examiner must show that the cited art teaches or suggests all elements of the rejected claims and, moreover, that a person of ordinary skill in the art would have been motivated to combine and/or modify the cited art in the manner asserted to derive the claimed invention. Applicants respectfully traverse this rejection on the grounds that Ikeda fails to teach or suggest all limitations of the rejected claims

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and the examiner has provided no reason why a person of ordinary skill would have been motivated to modify Ikeda to derive the claimed invention.

The present invention relates to a system for award redemption. Awards are acquired through participating businesses and may vary depending on specific promotions that those businesses are offering. Once earned, an award may be used to acquire a good or service from a participating business. However, the acceptance of all awards is not equal because businesses may limit award redemption based on where and during what promotions they were earned. If an award is not redeemable at a business, it is encumbered with respect to that business. The more encumbrances an award has, the lower the redemption opportunity of the award. To provide the maximum value for the awards, the system determines the encumbrance levels of all the potentially redeemable awards and redeems the most encumbered first.

Claims 1, 16, and 17 are not taught by Ikeda. Claim 1 recites, "determining which of the allowed awards to redeem based on the encumbrance levels." Claim 16 recites, "wherein determining which of the allowed awards to redeem is further based on the encumbrance levels." Claim 17 recites, "determining which of the allowed awards to redeem based on the encumbrance levels." As stated above, Examiner Lastra has agreed that Ikeda does not teach the language of claim 1. Therefore, Ikeda additionally does not teach the similar or identical language of claims 16 and 17.

Ikeda does not provide for "determining which awards to redeem based on encumbrance levels." The present invention teaches that, "encumbrance of awards is measured in terms of

restrictions on redeeming the awards at certain suppliers. Particularly, awards are encumbered if one or more suppliers will not accept them for redemption.” (Applicants’ Specification pg.13 ln.12). Ikeda’s system teaches that a shop may either accept or not accept awards (Ikeda Figure 9). Ikeda does not teach accepting awards from one source while rejecting awards from other sources. Therefore, since under Ikeda awards must be accepted or rejected, all awards are encumbered to the same level and cannot be distinguished based on encumbrance levels.

The following two diagrams were shown to Examiner Lastra to assist in explanation. The first diagram represents Ikeda’s system, and the second diagram represents the present invention.

Sources of Awards					
S H O P S		Visa	United Air	Discover	Shell Gas
	A	X	X	X	X
	B	✓	✓	✓	✓
	C	✓	✓	✓	✓
	D	✓	✓	✓	✓

As shown in the table above, representing Ikeda’s system, Shop A does not accept awards earned from any source. This is represented by the “X”s in Shop A’s row. Shops B, C, and D accept points from any source. This is represented by the check marks in the rows corresponding to Shops B, C, and D. If, as stated in the present specification, “awards are encumbered [if] one or more suppliers will not accept them for redemption,” then the encumbrance level of an award can be found by counting the number of “X”s in an award sources column. Thus, the encumbrance levels for the awards are as follows: awards from Visa

have an encumbrance level of 1; awards from United Air have an encumbrance level of 1, awards from Discover have an encumbrance level of 1, and awards from Shell Gas have an encumbrance level of 1. If a customer with awards from all four sources wants to shop at Shop B, and Shop B accepts all types of points, Ikeda does not determine which of the allowed awards to redeem based on encumbrance levels because all awards are encumbered to the same degree, 1. Thus, the awards are all equally encumbered, and there is no reason to select awards from one source over those from another when redeeming awards at Shop B (or Shops C and D).

The following table illustrates the present invention.

		Sources of Awards			
		Visa	United Air	Discover	Shell Gas
S H O P S	A	X	X	X	X
	B	✓	X	X	X
	C	✓	✓	X	X
	D	✓	✓	✓	X

Contrasting the present invention, as shown by the table above, Shop A does not accept awards earned from any source; Shop B does not accept awards earned from sources United Air, Discover, or Shell Gas but does accept awards from Visa; Shop C does not accept awards earned from sources Discover and Shell Gas but does accept awards from Visa and United Air; and Shop D does not accept awards earned from source Shell Gas but does accept awards from Visa, United Air, and Discover. Again, one measure of the encumbrance level of an award can be found by counting the number of "X"s in an award sources column. Thus, the encumbrance

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levels for the awards are as follows: awards from Visa have an encumbrance level of 1; awards from United Air have an encumbrance level of 2, awards from Discover have an encumbrance level of 3, and awards from Shell Gas have an encumbrance level of 4. If a customer with awards from all four sources wants to shop at Shop D and Shop D accepts all types of awards except those earned at Shell Gas, then the present invention determines which of the redeemable awards (awards earned at Visa; United Air; or Discover) to redeem based on the encumbrance levels. Therefore, the present invention would redeem points beginning with the most encumbered which is the following order: 1) awards from Discover with an encumbrance level of 3; 2) awards from United Air with an encumbrance level of 1; and 3) awards from Visa with an encumbrance level of 1. This is what Ikeda does not teach, and what would be impossible under Ikeda's system. Therefore, Ikeda does not teach or suggest "determining which of the allowed awards to redeem based on the encumbrance levels." Claims 1, 16 and 17 are not obvious. Rejection should be withdrawn.

Claim 2 is allowable because it is dependant on claim 1 which is believed to be allowable.

Claim 3 is allowable because it is dependant on claim 1 which is believed to be allowable.

Claim 4 is allowable because it is dependant on claim 1 which is believed to be allowable.

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Claim 5 is allowable because it is dependant on claim 1 which is believed to be allowable.

Ikeda does not teach claim 6. Claim 6 states, “[t]he method of claim 1 wherein the type of award indicates black-out dates on which the award cannot be redeemed.” The examiner has reasoned that “black-out dates” are obvious in light of expiration dates. However, given the nature of the two distinct and separate temporal restrictions, applicants respectfully disagree.

Ikeda teaches an “effective term” for its points system. This “effective term” is an expiration date after which the points are no longer redeemable. However, this is the extent of Ikeda’s teaching; there is no mention of “black-out dates.” “Black-out dates” are designed for and serve entirely different purposes than expiration dates. Further, black-out dates may be available without an expiration date and vice versa. For both reasons, Ikeda does not teach claim 6. Furthermore, claim 6 is allowable because it is dependant on claim 1 which is believed to be allowable.

Ikeda does not teach claim 7. Claim 7 states, “[t]he method of claim 1 wherein the type of award indicates a classification of the award.” The word ‘type’ as used in this claim refers to “awards [being] classified into different types of awards. For example, if a consumer performs some special earning activity, the consumer might receive special awards that permit redemption for certain goods, services, etc., that cannot be redeemed with normal points.” (Applicants’ Specification pg. 13, ln. 31). Ikeda does not teach a sub-classification of points and therefore

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does not teach claim 7. Furthermore, claim 7 is allowable because it is dependant on claim 1 which is believed to be allowable.

Ikeda does not teach independent claim 8 as amended. As amended claim 8 states, "determining which of the allowed awards to redeem based on the encumbrance levels." Ikeda does not teach claim 8 for all of the reasons explained above with reference to claim 1.

Claim 10 is allowable because it is dependant on claim 8 which is believed to be allowable.

Claim 11 is allowable because it is dependant on claim 8 which is believed to be allowable.

Claim 12 is allowable because it is dependant on claim 8 which is believed to be allowable.

Claim 13 is allowable because it is dependant on claim 8 which is believed to be allowable.

Ikeda does not teach claim 15. Claim 15 states, "[t]he method of claim 8 wherein the type of award indicates a classification of the award." The word 'classification' as used in this claim refers to "awards [being] classified into different types of awards. For example, if a consumer performs some special earning activity, the consumer might receive special awards that may be redeemed for certain goods, services, etc., that cannot be redeemed with normal points." (Applicants' Specification pg. 13, ln. 12). Ikeda teaches only the use of redeeming ratios for

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‘premium points’, but not the sub-classification of awards. Furthermore, claim 15 is allowable because it is dependant on claim 8 which is believed to be allowable.

Claim 18 is allowable because it is dependant on claim 17 which is believed to be allowable.

Ikeda does not teach independent claim 19 as amended. Claim 19 as amended reads “determining allowed awards to redeem further based on the encumbrance levels.” As stated with reference to claim 1, Ikeda does not teach this.

Claim 20 has been cancelled.

Ikeda does not teach claim 21. Claim 21 states, “[t]he system of claim 19 wherein determining which of the allowed awards to redeem is further based on the types of the allowed awards.” The word ‘type’ as used in this claim refers to “awards [being] classified into different types of awards. For example, if a consumer performs some special earning activity, the consumer might receive special awards that permit redemption for certain goods, services, etc., that cannot be redeemed with normal points.” Ikeda teaches only the use of redeeming ratios and not additional classification with regard “premium points,” Ikeda does not teach claim 21. Furthermore, claim 21 is allowable because it is dependant on claim 19 which is believed to be allowable.



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Applicants submit that the present application is now in condition for allowance.

Reconsideration and favorable action are earnestly requested.

Respectfully submitted,

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